



AT&T Exits Third-Party Billing In Alabama

Montgomery, Alabama - The Alabama Public Service Commission announced today that AT&T has voluntarily decided to discontinue third-party billing in Alabama by the end of summer. The Commission is pleased with AT&T's decision to implement this course of action.

The practice known as "third-party billing" allows merchants to charge for goods or services sold to a customer by including the charges on the customer's AT&T phone bill. The merchants who utilize third-party billing are typically small to medium sized, internet based businesses.

President Lucy Baxley stated, "One of the first things I did when I took office four years ago was to end cramming by third party vendors. Today I commend AT&T for taking steps to completely eliminate third party billing. What was once a convenience is now a problem for many consumers. "

In 2008, the Alabama Public Service Commission ordered all local telephone companies in the state to provide, without charge to customers that request it, an option to prevent the addition of third party charges to their phone bill. Since that time, Alabama has experienced fewer consumer complaints over third-party billing than most other states. Additionally, the Commission became one of only three states nationwide to require that all third-party vendors register with the Commission before their charges could be included on local telephone bills in Alabama. The Commission's increased scrutiny of third-party vendors significantly decreased consumer reports of improper billing in Alabama.

"I am proud of the steps we have taken at the PSC to provide consumers an added layer of protection from sneaky third party billing, and I am pleased that AT&T is providing additional relief. I encourage other companies to follow this lead and protect Alabama consumers," said Commissioner Twinkle Address Cavanaugh.

"I believe this is a step in the right direction to protect Alabama's consumers from fraudulent billing," said Commissioner Terry Dunn.

AT&T says it will not accept any new third-party billing requests effective June 28, 2012 and will cease most non-telecommunication related third-party billing by August 27, 2012. Third-party billing for traditional telecommunications providers, such as long-distance, operator services and directory assistance, marketing allies, charities, and AT&T's own affiliates will continue.

To learn more about the PSC actions and view our monthly meetings, visit our website at www.psc.alabama.gov.